

HIPAA Readiness

The MDCH Perspective



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Preparing for HIPAA: Michigan's Uniform Billing Project

Michigan's Governor mandated Uniform Billing for the state's Medicaid Program. The new system simplified the old billing process; adopted standard healthcare industry claim formats and code sets; and was the first step toward HIPAA compliance.

The project was initiated in early 2000.

- Replacing all proprietary claim formats with industry standard formats
- Working with affected associations and provider groups to communicate the changes
- Preparing and training thousands of billers and reimbursement specialists for conversion
- Testing claims

Michigan Medicaid Information System (MMIS)

- The Michigan Department of Community Health (MDCH) is the single state agency for Medicaid
- MDCH operates its own management information system and makes continual updates to its MMIS
- Converting the MMIS to HIPAA compliance has been a large multi-year project
- MDCH works with outside consultants to ensure MMIS is HIPAA compliant
- MDCH works with outside consultants to educate providers through outreach efforts

Michigan's HIPAA Plan – Objectives

- Begin testing HIPAA compliant transactions August 15, 2002
 - Claims and Encounters Transactions
- Eliminate all proprietary claim formats by October 1, 2002
(complete the Uniform Billing Project)
- Begin to accept key HIPAA compliant transactions October 1, 2002
 - 837 version 4010, Professional, Institutional, and Dental claims
 - 837 version 4010, Encounter Transactions
- Test remaining HIPAA compliant transactions no later than April, 2003
- Accept only HIPAA compliant transactions and codes October 16, 2003

Michigan's HIPAA Plan – Timeline

Accomplishments to Date:

- June 2000: Outreach to Providers Established
- June 2000: Review of Local Codes Initiated
- April 2001: Multi-Payer Coordination Established
- June 2001: EDI Translation Software Procured, Installed and Tested
- August 2001: 837 Professional Claim in Production
- February 2002: 837 Institutional Claim in Production

Preparing for HIPAA: Uniform Billing Project Conversion Schedule

- July 2000 • Dentists
-

- October 2000 • Hospitals – Out-patient
-

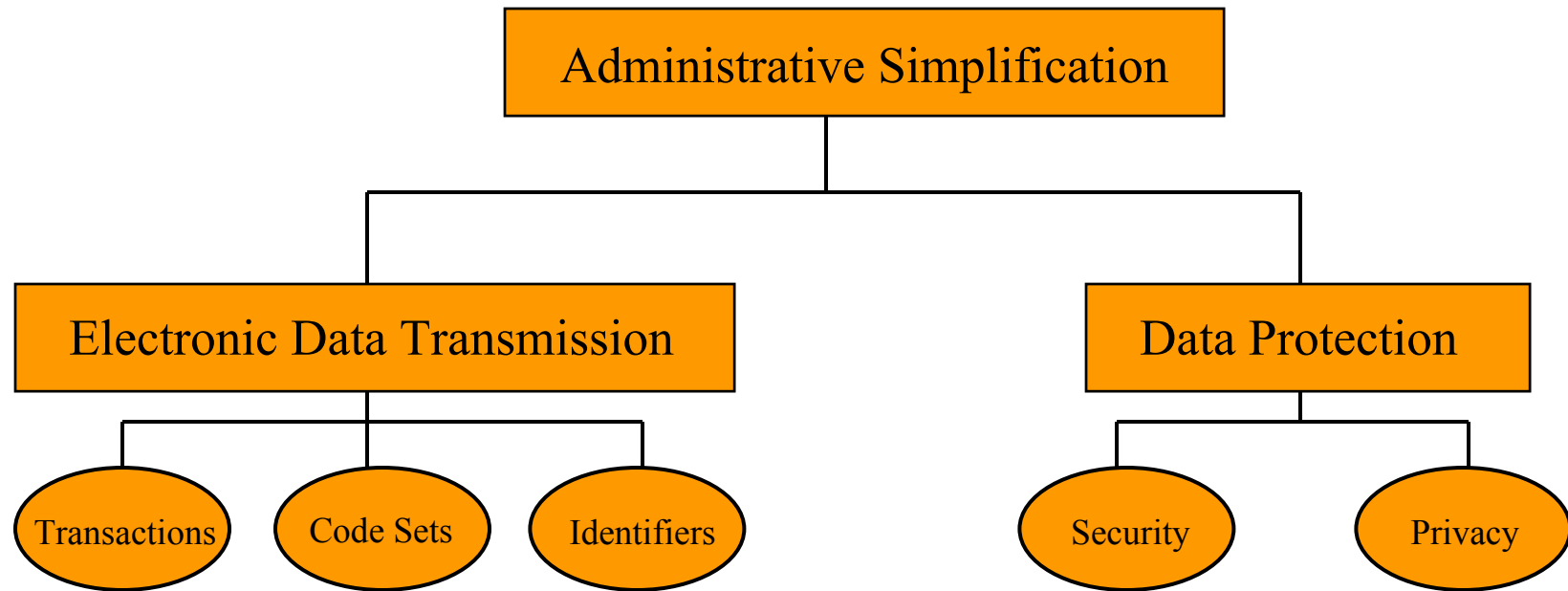
- August 2001

- Physicians
- Certified Nurse Midwives
- Chiropractors
- Community Mental Health Service Providers
- Laboratories
- Medical Clinics
- Optometrists
- Physical Therapists
- Ambulance Providers
- Certified Registered Nurse Anesthetists
- Clinical Lab Providers
- School Based Service Providers
- Family Planning Clinic Providers
- Maternal & Infant Support Service Providers
- Optical Companies
- Oral Surgeons
- Podiatrists

Preparing for HIPAA:Uniform Billing Project Conversion Schedule

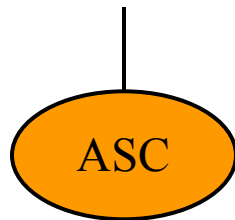
- February 2002
 - Community Mental Health Service Providers
 - Federally Qualified Health Centers
 - Hearing & Speech
 - Home Health
 - Hospice
 - Medical Suppliers
 - Orthotics & Prosthetics
 - Rural Health Clinics
 - Tribal Health Centers
- October 2002
 - Dental
 - Nursing Facilities (**Delayed until January 1, 2003 to provide additional time for provider testing**)

HIPAA Mandated Standards

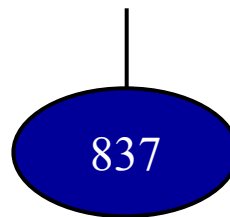


Decoding the Transaction Standards

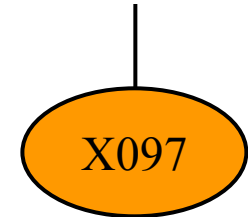
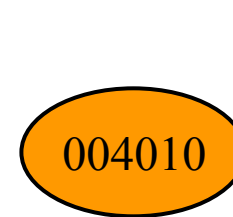
Indicates standard
comes from ANSI
Accredited Standards
Committee



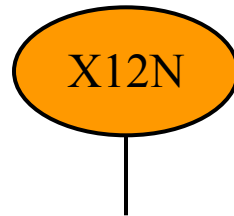
Refers to the
transaction set



Refers to internal reference numbers.
[e.g. 837 has 3 versions: dental (X097),
professional (X098), and institutional (X096)]



X12N is a subcommittee
of X12 that defines EDI
standards for the
insurance industry



Refers to X12 Version 4,
Release 1, Sub-release 0

Electronic Transaction Benefits

- ⊕ Electronic transactions provide significant benefits compared with paper transactions
- ⊕ Pre-edited for common errors
- ⊕ Reduced errors in claims data entry and the elimination of re-entry of same data
- ⊕ Reduced delays caused by scanning and re-keying
- ⊕ Faster submission of claims results in quicker payments and reduced receivables
- ⊕ Accelerates delivery via secure networks
- ⊕ Provides positive acknowledgement of receipt
- ⊕ Eliminates costs of handling and storing paper documents
- ⊕ Improved cash forecasting & cash flow
- ⊕ Streamlined transaction processing
- ⊕ Reduced operating costs and increased staff productivity

The Electronic Transactions

837	Institutional Claims and Encounters
837	Professional Claims and Encounters
837	Dental Claims and Encounters
835	Claim Payment and Remittance Advice
834	Enrollment and Disenrollment
820	Capitation Payment Transaction

276	Claim Status Request
277	Claim Status Response
270	Eligibility Request
271	Eligibility Response
278	Referral Authorization (Request)
278	Referral Authorization (Response)

HIPAA Transaction Compliance Plan

- Coordinate with Blue Cross Blue Shield of Michigan (BCBSM) and Medicare Part A & B
- Stay in compliance with HIPAA and in sync with BCBSM and other large payers' implementation plans
- Implement electronic transactions incrementally
- Implement key transactions (claims and encounters) first:
 - 837 (Professional, Institutional, Dental claims)
 - 837 (Encounter Transactions)
- Strongly encourage electronic claims and remittance

Testing & Certification

- The Michigan Department of Community Health (MDCH) is encouraging billing entities and clearinghouses to become HIPAA compliant and have a plan to become certified.
- MDCH encourages billing entities and clearinghouses to conduct stage one testing with a third party testing and certification service prior to doing stage two business-to-business testing with MDCH.
- MDCH is purchasing Claredi testing and certification services for all contracted Managed Health Care Plans.
- MDCH in partnership with BCBSM is making the Foresight HIPAA Validator — a web-based HIPAA testing tool — available for free at http://www.bcbsm.com/providers/trans_test.shtml

Michigan's HIPAA Plan – Going Forward

August 15, 2002: Begin Testing 837 Claims

October 1, 2002: Begin Accepting all 837 Claim Formats

**Nursing Facility conversion delayed until January 1, 2003 to
provide additional time for provider testing.**

Begin Accepting 837 Encounters from Substance Abuse & Mental
Health Programs

January 1, 2003: Begin Accepting 837 Encounters from Medicaid Health Plans

April, 2003: Begin Testing Other HIPAA Transactions

October, 2003: All non-HIPAA Compliant Claims and Transactions Discontinued

Electronic Claim Formats: Dental Services

Covered Entities	Current Claim Format	HIPAA Compliant Format
Dentists / Dental Clinics	Proprietary Claims <i>will be accepted until 9-30-02</i>	837 Dental v.4010 <i>is currently accepted</i>

Electronic Claim Formats: Professional Services

Covered Entities	Current Claim Format	HIPAA Compliant Format
All Professional Services Providers (listed below)	837 v.3051 <i>will be accepted until 10-16-03</i>	837 Professional v.4010 <i>is currently accepted</i>

- Physicians
- Advanced Practice Nurses
- Podiatrists
- Chiropractors
- Independent Clinical Labs
- Independent Private Duty Nurses
- Medical Clinics
- Family Planning Clinics
- Children's Waiver Service Providers
- Ambulance
- School-based Services
- Maternal/Infant Support Services Providers
- Hearing & Speech Centers
- Optometrists
- Medical Supply/DME Providers
- Orthotists/Prosthetists
- Optical Companies
- Oral Surgeons
- FQHCs/RHCs/IHCs
- Physical Therapists
- CMHSPs and Substance Abuse CAs

Electronic Claim Formats: Institutional Services

Covered Entities	Current Claim Format	HIPAA Compliant Format
Hospitals (Inpatient & Outpatient)	UB-92, EMC v.5.0 <i>will be accepted until 10-16-03</i>	837 Institutional v.4010 <i>is currently accepted</i>
Hospice	837 Institutional v.4010 & UB-92, EMC v.5.0 (<i>will be accepted until 10-16-03</i>)	837 Institutional v.4010 <i>is currently accepted</i>
Home Health	837 Institutional v.4010 & UB-92, EMC v.5.0 (<i>will be accepted until 10-16-03</i>)	837 Institutional v.4010 <i>is currently accepted</i>

Electronic Claim Formats: Institutional Services

Covered Entities	Current Claim Format	HIPAA Compliant Format
Private Duty Nursing Agencies	837 Institutional v.4010 & UB-92, EMC v.5.0 (<i>will be accepted until 10-16-03</i>)	837 Institutional v.4010 <i>is currently accepted</i>
Nursing Facilities	Proprietary Formats <i>will be accepted until 1-1-03.</i> UB-92 EMC v.5.0 <i>will be accepted from 1-1-03 until 10-16-03</i>	837 Institutional v.4010 <i>will be accepted starting 1-1-03</i>
Community Mental Health (CMHSP)	UB-92, EMC v.5.0 <i>will be accepted until 10-16-03</i>	837 Institutional v.4010 <i>is currently accepted</i>

Submit Your Own Electronic Claims? Become HIPAA Compliant ...

- Download HIPAA Implementation Guides hipaa.wpc-edi.com/hipaa_40.asp
- Download MDCH Clarification Documents from the MDCH web site www.michigan.gov/mdch
- Stay current with HIPAA compliant Code Sets
- Test transactions prior to implementation dates

... or Partner with a Clearinghouse

- Compliance becomes the responsibility of the Clearinghouse
- Providers must assure that their Clearinghouse is HIPAA compliant
- If your Clearinghouse is not yet HIPAA compliant, make sure it has a plan to become HIPAA compliant and that it is working toward certification ... or you risk not getting paid

Providers & Clearinghouses Must Test Electronic Transactions

Step 1:

Utilize a third party testing service (Claredi or Foresight's HIPAA Validator).

Step 2:

After successful completion of Step 1, submit test claims to payers (i.e., MDCH, BCBSM) for business to business claims.

Note:

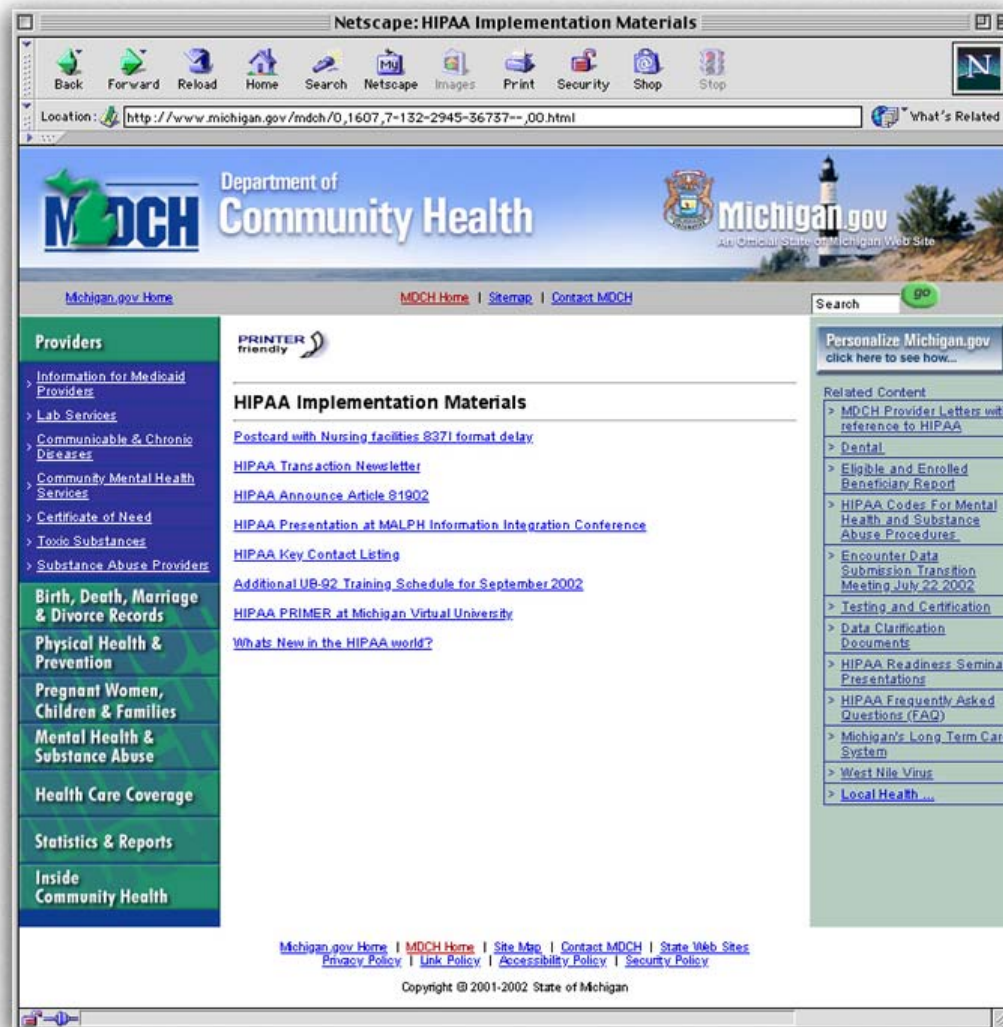
Instructions for the HIPAA Validator and for submitting test claims to MDCH can be found at www.michigan.gov/mdch and www.mihealth.org.

MDCH Plan - Education

Coordinate with Provider based associations to ensure successful conversion through:

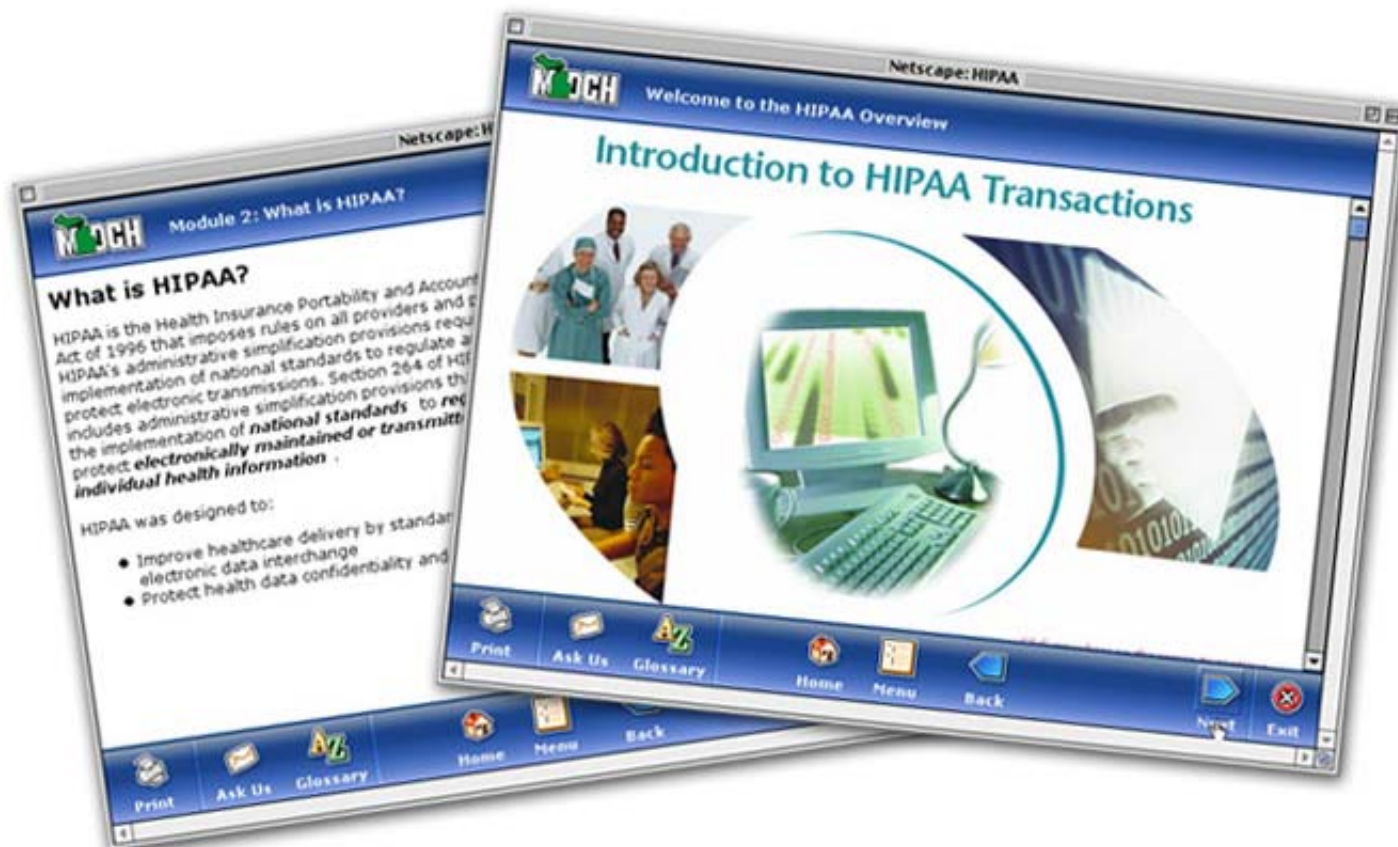
- ⊕ MDCH web site www.michigan.gov/mdch
- ⊕ Education and outreach to association members
- ⊕ HIPAA Primer at www.healthcare.mivu.org
- ⊕ HIPAA Readiness Seminars this fall — for Software Vendors only
- ⊕ HIPAA Readiness Seminars this winter
- ⊕ HIPAA Transactions web site: www.mihealth.org
- ⊕ HIPAA Transactions Brochures
- ⊕ HIPAA Transactions Newsletters
- ⊕ HIPAA Transactions Articles
- ⊕ Frequently Asked Questions – updated constantly on the MDCH (www.michigan.gov/mdch) and mihealth.org web sites

MDCH HIPAA Web Site: www.michigan.gov/mdch

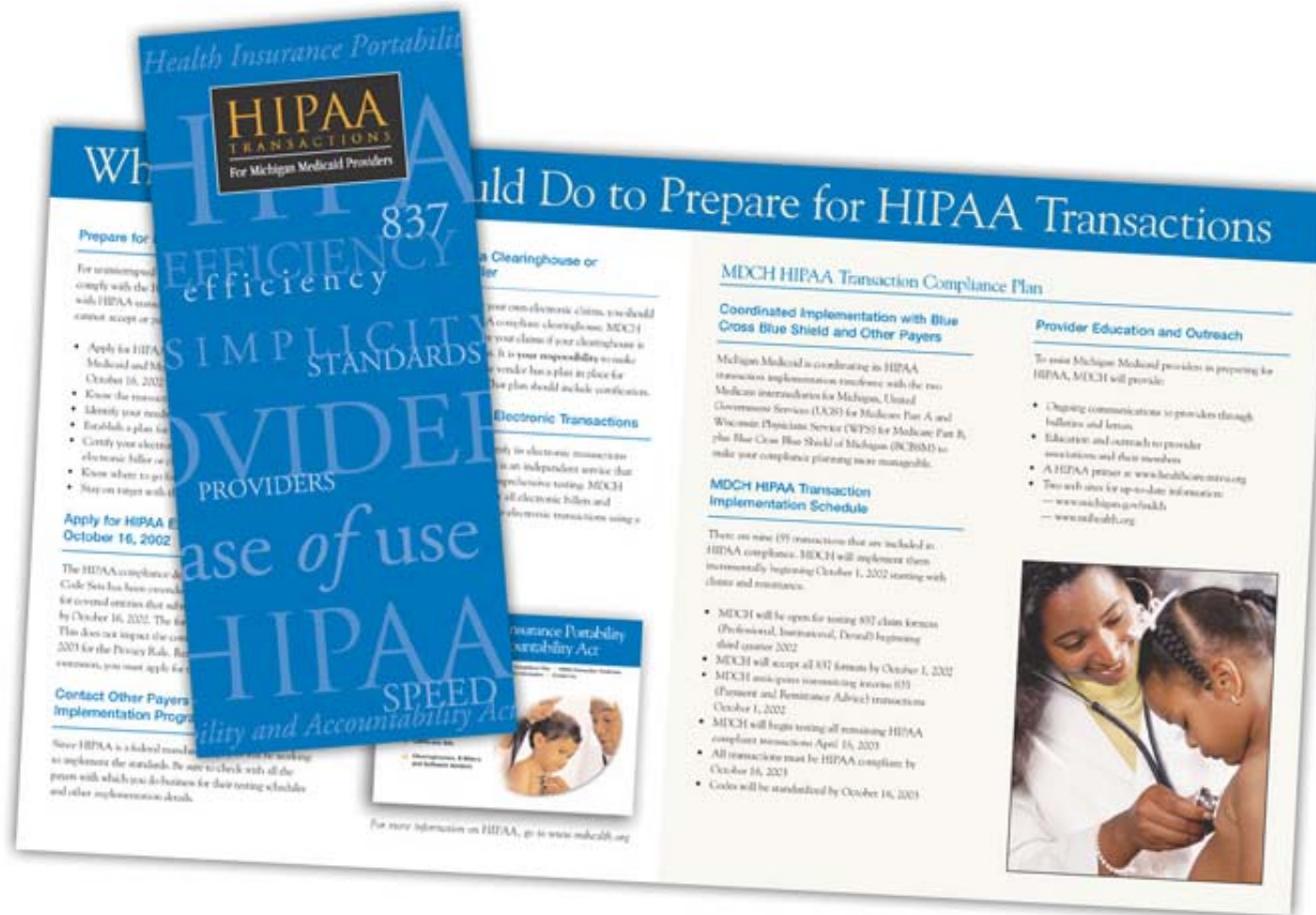


HIPAA Primer

www.healthcare.mivu.org



HIPAA Transactions Brochure



What Providers Must Do:

Comply with HIPAA Mandates

- The federally mandated compliance date is October 16, 2003. If you do not comply with HIPAA transaction and code set guidelines, MDCH cannot accept or pay your claims.

Partner with a Clearinghouse

- If you do not submit your own claims, you must partner with a HIPAA compliant clearinghouse. MDCH cannot accept and pay your claims if your clearinghouse is not HIPAA compliant.

Make Sure Your Clearinghouse is HIPAA Certified

- MDCH is encouraging all clearinghouses to become HIPAA compliant certified. It is your responsibility to make sure your clearinghouse vendor has a plan in place for HIPAA compliance. That plan should include certification.

What Providers Must Do:

Billing Entities Must Test Systems First Before They Can Test Claims

- MDCH strongly encourages billing entities and clearinghouses to utilize a third party testing and certification service for Stage 1 Integrity Testing for HIPAA compliance, prior to doing Stage 2 business-to-business testing.
- Integrity Testing with the HIPAA Validator. You will find HIPAA Validator instructions for Step 1 Integrity Testing for HIPAA Compliance on the MDCH and mihealth.org web site. These instructions will make the Validator easier to use. The HIPAA Validator is accessible through the BCBSM web site.
- Test Claims. Step 2 Business-to-Business testing requires submitting test claims through the MDCH Data Exchange Gateway (DEG). Visit the MDCH or mihealth.org web site for Step 2 (Business-to-Business) claims testing instructions.

What Providers Must Do:

Check with Other Payers

- Since this is a federal mandate all payers will have similar rules. Be sure to check with other payers including BCBSM, Medicare, and others for details about their implementation and testing schedule.

Apply for the HIPAA Transaction Extension

- Apply for HIPAA Extension with CMS by October 15, 2002. The HIPAA compliance deadline for transactions and code sets has been extended one year for covered entities that submit a compliance plan.
 - The form is available at cms.hhs.gov/hipaa/hippa2/ascaform/asp.
 - This does not impact the Privacy Rule compliance deadline of April 2003.
 - To qualify for the extension you must submit a compliance plan.

For More Information

- Contact your association
- Visit the Michigan Department of Community Health web site: www.michigan.gov/mdch
- Call the Michigan Department of Community Health Provider Hotline 1-800-292-2550
- E-mail the Michigan Department of Community Health: providersupport@michigan.gov
- Visit www.mihealth.org for complete details, including updated questions & answers
- Log on to Michigan Virtual University's HIPAA Primer: www.healthcare.mivu.org
- E-mail MDCH's Dave McLaury: mclauryd@michigan.gov

Other Useful Web Resources

Try these national resources:

- aspe.os.dhhs.gov/admnsimp (full text of HIPAA regulations)
- hipaa.wpc-edl.com/hipaa_40.asp (X12N implementation guide)
- www.ncpdp.org (NCPDP implementation guide)
- www.wedi.org (useful white pages and assistance for HIPAA implementation)
- cms.hhs.gov/hipaa/hipaa2/ascaform.asp (HIPAA extension application)
- ugsmedicare.com (Medicare Part A)
- www-ss.wpsic.com/medicare_web (Medicare Part B)
- www.claredi.com (HIPAA certification and testing)
- http://www.bcbsm.com/providers/trans_test.shtml (Foresight's HIPAA Validator)



introducing the
mihealth card
for medicaid beneficiaries, CSHSC, & MOMS

What is the “mihealth” card?

- ⊕ Permanent, plastic, magnetic stripe identification card
- ⊕ For each Medicaid, Children’s Special Health Care Services and/or Maternity Outpatient Medical Services Beneficiary
- ⊕ Replaces the current paper beneficiary identification card
- ⊕ Beneficiaries will receive the **mihealth card** between January 1, 2003 and March 31, 2003
- ⊕ Beneficiaries will no longer receive monthly paper ID cards after April 1, 2003

Provider Benefits

- ⊕ More options for eligibility verification
- ⊕ Reduced data input error due to magnetic swipe technology
- ⊕ Checking eligibility is easier and quicker using magnetic swipe technology
- ⊕ Around the clock access to information
- ⊕ Hard copy responses in seconds

What Providers Should Know about the mihealth card

- ⊕ Possession of the mihealth card does not guarantee Michigan Medicaid eligibility
- ⊕ Providers must still verify eligibility before services are provided
- ⊕ Each Medicaid, Children's Special Health Care Services (CSHCS) and Maternity Outpatient Medical Services (MOMS) beneficiary will receive an individual **mihealth card** with his or her name on it
- ⊕ Beneficiaries must take their **mihealth card** with them when they visit the doctor, pharmacy, hospital or other medical provider
- ⊕ Beneficiaries will keep this card and use it each month they are eligible for Medicaid, CSHCS and MOMS benefits